

## Global Markets Research

### Fixed Income

## Fixed Income Daily Market Snapshot

### US Treasuries

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	0.10	-1
5-yr UST	0.44	1
10-yr UST	1.17	2
30-yr UST	1.97	3

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	1.86	-2	1.88	-2
5-yr	2.14	1	2.26	0
7-yr	2.48	-1	2.51	0
10-yr	2.76	1	2.79	1
15-yr	3.40	4	3.45	1
20-yr	3.63	6	3.65	0
30-yr	3.96	-1	4.05	0

\* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	1.88	0
3-yr	2.00	0
5-yr	2.23	2
7-yr	2.40	0
10-yr	2.65	4

Source : Bloomberg

### Upcoming Government Bond Tender

Nil

- US Treasuries were pressured in the longer tenures extending out from the 5Y segment on Friday following the rapid advance of the \$1.9b COVID-19 relief bill which weighed on risk. The curve steepened, reflecting multi-year high of ~150bps in the 5s30s spreads as overall benchmark yields generally ended between -1 to +3bps. The UST 2Y yield edged 1bps lower to a record low of 0.10% whilst the much-watched 10Y closed 2bps higher instead at 1.17%. The January NFP jobs report painted a mixed picture with the strength in hours and earnings coupled with the lower unemployment rate; partially offsetting the disappointing 49k increase in employment. UST yields are expected to react to massive stimulus packages, vaccine rollouts and the prospect of inflation following years of historic debt-overhang and near-zero rates.

### MGS/GII

- Last Friday, local govies closed mixed as overall benchmark yields closed between -2 to +6bps across the curve amid an improved secondary market volume of RM4.08b. Both the 5Y MGS 9/25 and the 10Y MGS 4/31 yields edged 1bps up at 2.14% and 2.76% respectively. Resumption of interest was seen mainly in the off-the-run 21's and also in the 26's, 29's along with the benchmark 10Y MGS. GII bond trades decreased to form ~36% of overall trades. Meanwhile the government is attempting pro-active, yet careful measures in allowing the re-opening of more businesses. Expect attention today to focus on the release of industrial production data for December followed by 4Q2020 GDP numbers this Thursday.

### Corp Bonds/Sukuk

- The Corporate Bond/Sukuk space activity last Friday moved a notch higher amid a secondary market volume of RM617m. Interest was mainly seen across the AAA-AA space as overall yields closed mostly lower with trades covering ~26 names. The sole govt-guaranteed trade consisted of LPPSA 10/28 which closed unchanged compared to previous-done levels at 2.87%. AAA-rated MERCEDEZ 9/23 recorded RM80m worth of trades; easing 4bps at 2.55% whilst MACB 22 and 24 closed 2-7bps lower at 2.61% and 2.83% each. The AA-segment saw energy-related bonds YTL Power 23-24's edge 2bps lower whilst both SEB 7/24 and JEP 12/23 moved 3bps lower at 2.45% and 2.95% each. IMTIAZ 21-22's closed mixed on yields between 2.33-47% on substantial volume. The banking space saw several odd-lot trades in AFFIN and Hong Leong Financial Group-related bonds.

## Daily Trades : Government Bond

Securities	Closing	Vol	Previous	Previous	Chg
	YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS 07/21	1.761	154	1.739	04/02/2021	2
MGS 09/21	1.766	247	1.766	04/02/2021	0
MGS 11/21	1.773	272	1.692	04/02/2021	8
MGS 08/22	1.786	1	1.806	04/02/2021	-2
MGS 03/23	1.856	67	1.873	04/02/2021	-2
MGS 04/23	1.908	1	1.842	04/02/2021	7
MGS 08/23	1.928	13	1.885	04/02/2021	4
MGS 06/24	1.994	2	1.971	03/02/2021	2
MGS 07/24	2.057	5	1.986	03/02/2021	7
MGS 09/24	2.034	22	2.005	04/02/2021	3
MGS 09/25	2.135	159	2.130	04/02/2021	0
MGS 07/26	2.257	229	2.296	04/02/2021	-4
MGS 11/26	2.221	168	2.256	04/02/2021	-3
MGS 05/27	2.385	69	2.419	04/02/2021	-3
MGS 11/27	2.474	8	2.482	04/02/2021	-1
MGS 06/28	2.483	124	2.497	04/02/2021	-1
MGS 08/29	2.758	302	2.746	04/02/2021	1
MGS 04/30	2.792	6	2.786	04/02/2021	1
MGS 04/31	2.756	578	2.745	04/02/2021	1
MGS 11/33	3.440	3	3.434	04/02/2021	1
MGS 07/34	3.402	95	3.363	04/02/2021	4
MGS 05/35	3.413	10	3.426	04/02/2021	-1
MGS 04/37	3.498	4	3.537	04/02/2021	-4
MGS 06/38	3.704	1	3.686	04/02/2021	2
MGS 05/40	3.628	30	3.572	04/02/2021	6
MGS 03/46	3.976	1	3.916	04/02/2021	6
MGS 07/48	3.998	2	3.950	02/02/2021	5
MGS 06/50	3.963	21	3.971	04/02/2021	-1
GII 03/21	1.748	286	1.743	04/02/2021	0
GII 04/21	1.729	140	1.714	04/02/2021	2
GII 08/21	1.759	420	1.750	03/02/2021	1
GII 03/22	1.760	3	1.765	04/02/2021	0
GII 05/23	1.879	150	1.900	04/02/2021	-2
GII 11/23	1.941	5	1.933	02/02/2021	1
GII 10/24	2.027	45	2.026	04/02/2021	0
GII 10/25	2.203	30	2.204	04/02/2021	0
GII 03/26	2.262	20	2.259	04/02/2021	0
GII 09/26	2.319	30	2.304	03/02/2021	2
GII 07/27	2.544	163	2.545	04/02/2021	0
GII 09/27	2.513	1	2.518	04/02/2021	0
GII 10/28	2.721	92	2.710	04/02/2021	1
GII 07/29	2.763	10	2.723	03/02/2021	4
GII 10/30	2.794	50	2.783	04/02/2021	1
GII 06/33	3.410	20	3.369	02/02/2021	4
GII 11/34	3.476	20	3.451	03/02/2021	2
GII 07/36	3.447	3	3.439	04/02/2021	1
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## Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Lembaga Pembiayaan Perumahan Sektor Awam	10/28	GG	2.871	20	2.874	04/02/2021	0	25
Sarawak Energy Berhad	06/21	AAA	1.899	15	2.196	25/11/2020	-30	15
Pengurusan Air SPV Berhad	11/21	AAA	2.156	20	2.155	29/01/2021	0	41
Manjung Island Energy Berhad	11/21	AAA	2.187	10	2.226	05/01/2021	-4	44
Cagamas MBS Berhad	05/22	AAA	2.480	1	2.399	04/02/2021	8	73
Malaysia Airports Capital Berhad	12/22	AAA	2.608	30	2.633	03/02/2021	-2	80
Mercedes-Benz Services Malaysia Sdn Berhad	09/23	AAA	2.545	80	2.590	22/01/2021	-4	68
Cagamas Berhad	10/23	AAA	2.245	30	4.331	07/02/2018	-209	38
Cagamas Berhad	11/23	AAA	2.360	10	2.370	10/08/2020	-1	49
Projek Lebuhraya Usahasama Berhad	01/24	AAA	2.507	10	2.529	25/01/2021	-2	64
Danga Capital Berhad	01/24	AAA	2.316	10	-	-	-	45
Pengurusan Air SPV Berhad	06/24	AAA	2.553	20	2.563	27/11/2020	-1	69
Malaysia Airports Capital Berhad	12/24	AAA	2.826	50	2.899	05/01/2021	-7	82
Danum Capital Berhad	05/25	AAA	2.568	4	2.569	29/01/2021	0	56
DiGi Telecommunications Sdn Berhad	09/26	AAA	2.678	10	2.718	11/01/2021	-4	37
YTL Power International Berhad	08/23	AA1	2.936	40	2.956	19/01/2021	-2	107
YTL Power International Berhad	10/24	AA1	3.108	40	3.125	19/01/2021	-2	110
United Overseas Bank (Malaysia) Berhad	08/30	AA1	2.928	10	2.928	04/02/2021	0	21
Imtiaz Sukuk II Berhad	11/21	AA2	2.330	40	2.402	14/10/2020	-7	58
Imtiaz Sukuk II Berhad	10/22	AA2	2.471	40	2.459	26/01/2021	1	67
Imtiaz Sukuk II Berhad	10/27	AA2	3.128	1	3.141	27/01/2021	-1	62
Sarawak Energy Berhad	07/24	AA	2.448	60	2.475	07/01/2021	-3	58
Jimah East Power Sdn Berhad	12/23	AA-	2.949	62	2.978	11/01/2021	-3	108
CIMB Group Holdings Berhad	05/16	A1	3.281	2	3.727	04/02/2021	-45	-30
Hong Leong Financial Group Berhad	11/17	A1	3.110	1	3.237	21/01/2021	-13	-47
Affin Bank Berhad	07/18	A3	3.850	1	4.305	27/01/2021	-46	27
				<u>617</u>				

\*spread against nearest indicative tenured MGS (Source : BPAM)

Rating Action			
Isuser	PDS Description	Rating/Outlook	Action
First Abu Dhabi Bank P.J.S.C.'s (FAB or the Group)	Financial institution rating	AAA/Stable/P1	Reaffirmed

Source: RAM, MARC

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